

CENTRAL INTELLIGENCE AGENCY

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2. The Hungarian interests of Solvay were divided into (a) industrial enterprises and (b) commercial enterprises.

Industrial Enterprises

3. The industrial interest of Solvay in Hungary was the Hungaria Chemical and Smelting Works Ltd. The majority interest in Hungary was controlled by Spolek Pro Cemkov a Hutny Virovov /Union of Chemical and Smelting Works/, a Solvay subsidiary in Prague. Spolek was the largest chemical manufacturer in eastern Europe. The minority capital was Hungarian.
4. Hungary owned and operated the following seven chemical factories in Hungary and was the majority stock holder in another:
 - (a) Hungary - Kén Utca [Sulphur Street], Budapest, produced sulphuric acid, blue vitriol. and other products. This plant was badly damaged by bombing in April 1944.
 - (b) Hungary - (Sont Utca [Bone Street], Budapest, produced superphosphate.
 - (c) Hungary - Illatos Ut [Smelly Road], Budapest, produced over 50 varieties of glue from animal bone. The former name of this plant was Spodium.
 - (d) Hungary Magyarétny [Metallochemia] was a smelting plant located near Budapest which processed silver, copper, and tin ores.

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These four factories employed a total of approximately 6,000 workers and 400 clerks.

- (e) Hungaria at Papa produced artificial manure from phosphate
 - (f) Hungaria at Szabadca [now Subotica, Yugoslavia] produced sulphuric acid and superphosphate
 - (g) Hungaria at Nagybanya [now Rumania] produced sulphuric acid and artificial manure. A phosphor mine was located near this factory.
5. Hungaria was also the majority stockholder in Benes, Budapest. The chairman of the board of directors of Hungaria was Joseph Benes whose brother was the founder of the firm. This company produced all types of leather preservatives. It supplied the Hungarian gendarmerie with preservatives for stored leather goods.

Commercial Enterprises

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7. Spolek and Solvay Limited Liability Company founded a company to represent their mutual interests in Hungary called Chemicolor Chemical and Metallurgical Company. This company controlled the imports of Czech-produced Solvay products into Hungary. These products included barium sulphate, active coal [charcoal], formica, cellulose, pulp, paper and dyes. Solvay owned six paper mills in Czechoslovakia. Paper and cellulose were shipped from Hruschau, in Slovakia. Basic chemicals and large earthenware containers for industrial use were also imported by Chemicolor. Fan blocks made of this earthenware materials were used in chemical factories rather than metal blocks which were subject to corrosion.

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Enclosure (A): Sketch Showing Solvay Organization in Hungary

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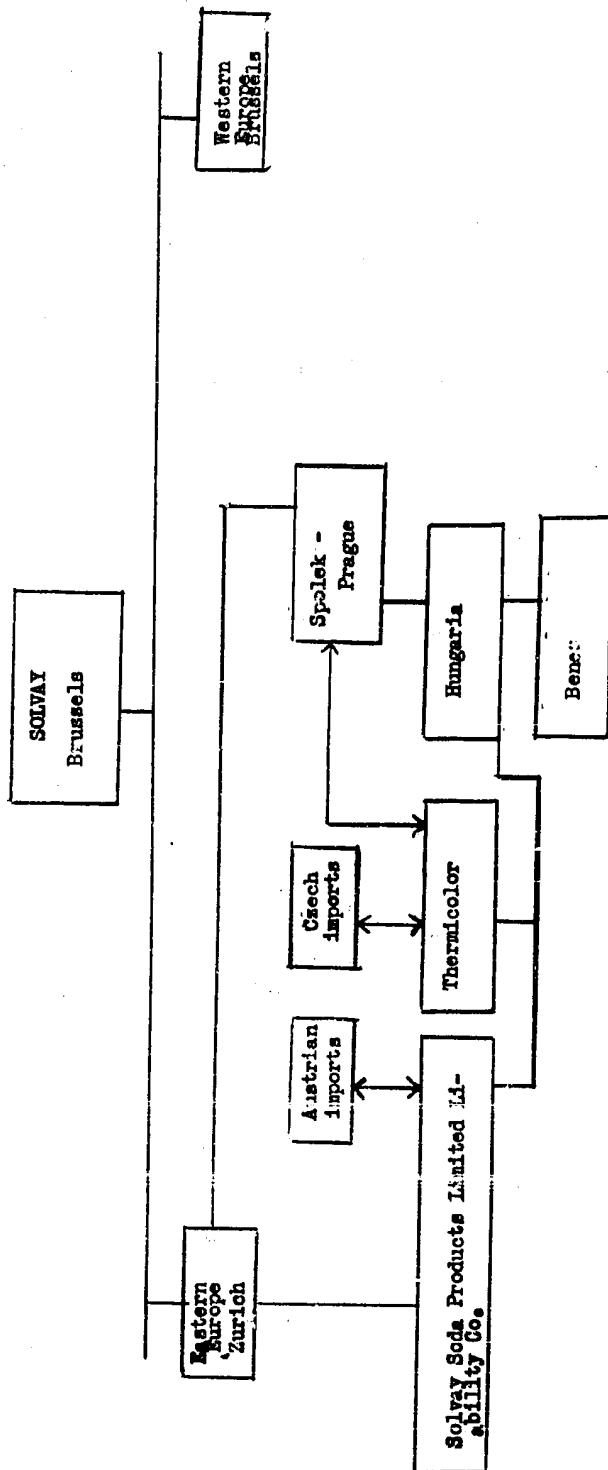
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SKETCH SHOWING SOLVAY ORGANIZATION IN HUNGARY



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